

2002 BUSINESS ISSUES

The Program of Work

INTRODUCTION

As we begin our 27th year of service to the Louisiana business community, we proudly present the 2002 Program of Work. The Program is the culmination of a lot of hard work by many very dedicated and busy people. It outlines, by issue area, LABI's work for the new year.

This document represents the end stage in an ongoing process that spans an entire year. LABI members serve on councils and task forces and deliberate on the issues important to you. The work of these councils and task forces goes to a Program Committee, which reviews all of the issues with the goal of understanding how

each issue area relates to other issues of interest to the business community. Recommendations from the Program Committee are finally presented to the LABI Board of Directors for their review. This Program of Work drives LABI's activities at the Legislature, regulatory and policymaking agencies. Ultimately, it is important to you because our actions affect the operation of your business.

To those who worked on this Program—the most fundamental aspect of our work to many LABI members — we offer our sincere thanks for a job well done.

POLICY STATEMENT ON COMPETITION

LABI supports a free, open and diverse marketplace that encourages competition in all areas of business and industry. LABI believes that competition benefits consumers by providing them with more choices. LABI opposes any government-imposed ban on businesses engaging in commerce, and it also opposes predatory practices designed only to drive out competition, not to enhance consumer choices. LABI further believes that direct government competition with the private sector for the provision of goods and services is antithetical to the concept of free enterprise. Additionally, LABI supports a strong public bid law at the state and local levels to ensure fairness and fiscal integrity in the use of taxpayers' dollars.

Issues Are Classified As Follows:

Major Issue —

Those items LABI will strongly support or oppose, but not necessarily take the lead.

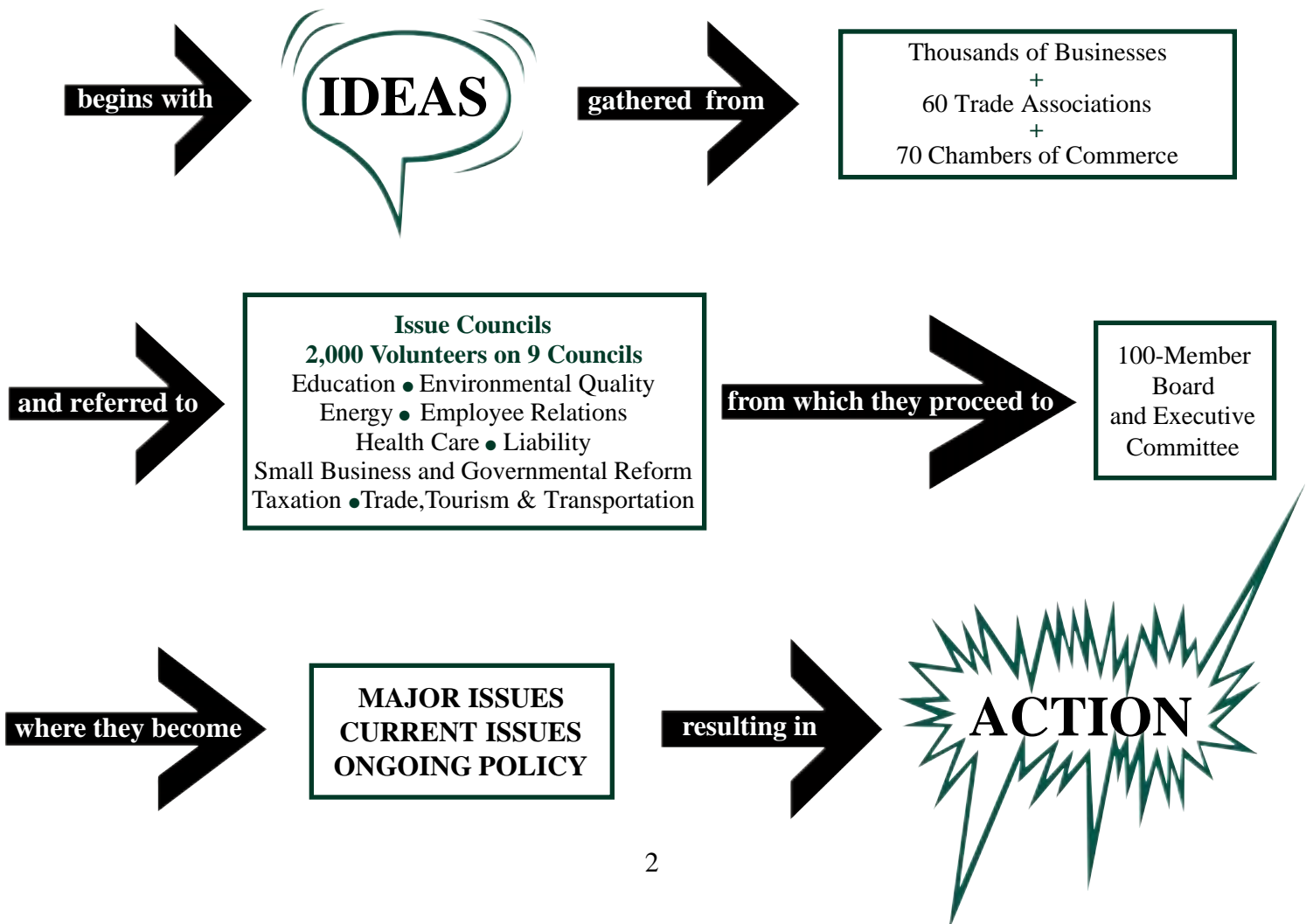
Current Issue —

Those items on which LABI has a position and which may be addressed during the year by the Legislature and/or regulatory agencies.

Ongoing Policy —

Items on which LABI has taken a position, but which are not anticipated to be addressed during the year. A new item could appear in this category if a council/task force takes a position but does not feel it falls in higher priority categories. Oftentimes, “ongoing” issues are statements of principle.

The LABI Program Development Process



EDUCATION AND WORKFORCE DEVELOPMENT

LABI recognizes that improving education at all levels in Louisiana is the key to economic prosperity in the state. Long-term improvement in education will not occur until more people get involved and demand it. LABI will concentrate its efforts on the following areas to achieve its goal of improving educational opportunities for all Louisiana citizens.

MAJOR ISSUES

Public School K-12 Accountability Plan

The Issue: It is exceedingly important that Louisiana business people continue to support, and closely monitor, the K-12 public school accountability program. In the past, we have never been able to maintain data to document long-term academic improvement, or the lack thereof. If the present school accountability system is to work, each of us must continue to support it and make it even more rigorous.

LABI Position: Support, protect and strengthen the K-12 accountability program.

Reasoning: If Louisiana's economy is to improve, it is essential that we have a strong public school system. The foundation of this system must be academically rigorous standardized tests and a plan to determine what to do about schools and school systems with poor student achievement results. This means we must, at all costs, defend the high stakes testing program for students in grades 4 and 8 to measure how well students are learning. We must continue to support the Graduation Exit Exam as a requirement for high school graduation and administering norm-referenced achievement tests at other grade levels. We should support the use of an individualized reading test to be given in the first, second and third grades. And, we must vigorously oppose efforts to create a "second-class" diploma, which would allow students to graduate from high school without passing the required parts of the Graduation Exit Exam. We must monitor and strengthen the state's pre-GED options program. Finally, we should support a better performance evaluation system for teachers and administrators and a plan to sanction and/or reward schools and school personnel based upon academic achievement.

—Direct Small Business Impact—

School Choice

The Issue: Louisiana continues to have one of the poorest performing education systems in the nation. In spite of over 20 years of school reform legislation, teacher unions and others have managed to derail most efforts to improve

it. School choice provides the only clear alternative to increase learning opportunities for Louisiana students.

LABI Position: Continue a public information campaign about the quality of Louisiana public schools and what school choice would do to improve education. Create model legislation to implement a system of publicly supported education that gives parents maximum choice among government and non-government schools.

Reasoning: Every time a new governor is elected, Louisiana has another "new" school reform agenda — yet our schools continue to produce some of the most poorly educated students in America. It's time to give parents power and choice. Now, if a parent wants a better education for his child, he has little choice other than to pay for education twice—once with tax dollars for a public education and again with personal funds for private school. Since about 30 percent of our state's children come from homes with incomes below the federal poverty line, far too many parents can't afford a better education for their child. These low-income parents pay taxes and should also have educational alternatives. The most powerful impact of a school choice plan would be to force public schools to do a better job of educating children by denying schools a guaranteed clientele. Teachers and other school personnel would have better working conditions and a more satisfying profession if they could truly perform their jobs and not be captive to the massive demands of the education bureaucracy. The school choice movement is no longer just a "Louisiana plan." It's at the forefront of the national agenda. However, school choice is being continually challenged by teacher unions and the ACLU. That is to be expected when the entrenched system is threatened and a sign that school choice is good for the education of children, good for parents and good for teachers. It's worth fighting for to bring it to Louisiana.

CURRENT ISSUES

Teacher Quality: Support efforts to improve teacher quality in Louisiana. LABI recognizes that the classroom teacher is the single most important factor in and influence on students' educational success, and will work to strengthen the state's professional teaching corps.

8(g): Support the integrity of the 8(g) fund and oppose any attempts to use 8(g) funds to supplant general fund revenues for education.

Adult Education/GED Programs: Support legislation and long-range public policy decisions to reorganize and improve the GED Program and other training options for those over age 19.

Workforce Development/Vocational Education: Continue to support efforts of the new Louisiana Community and Technical College System (LCTCS) to reorganize and improve the delivery of training in vocational education and community colleges. With strong LABI support in 1998, the constitutional amendment to reorganize the system and the enabling legislation outlining how the system will operate were passed. Much work remains to be done since the challenge of creating this new system is massive. Business people all over Louisiana still share a common problem. Employers have good jobs to fill, but potential new hires don't have the requisite skills. The purpose of creating the LCTCS is to solve this problem and put competent people in the workforce.

To this end, LABI will encourage the development of a post-secondary education system (adult education, vo-tech, community college and university systems) that will be efficiently coordinated to provide shared resources, shared facilities, non-duplicated offerings and articulation agreements. This system should be tailored in each region of the state to address the proper mix of special workforce training programs, vocational and technical training, two-year associate degrees and advanced degrees, and to provide a rapid response to changes in the business environment. Development and direction of these systems should include substantial input from the business community and include systems designed to measure the progress of each educational component, holding accountable those responsible for the success of their students. The business community should expect coordination of money and resources among the Louisiana Workforce Commission, the Incumbent Workers Program at the Department of Labor and training funds from the Department of Economic Development targeted at new businesses. Eliminating duplicative funding streams from these sources and the vocational-technical colleges is essential if we are to use tax money wisely.

Higher Education: Support stable funding for higher education and greater accountability for these expenditures. Support recommendations in the Board of Regents' Master Plan for Higher Education that call for defining the role, scope and mission of higher education institutions, including the adoption and full implementation of new admission requirements; discontinuing low-enrollment programs; rewarding faculty for teaching as well as research; reducing remediation; developing a "state-wide engineering and technology extension service"; improving articulation; and encouraging electronic distance learning.

Classroom Funding: Support the funding of classroom instruction and improved accountability in all areas, including category-specific financial reporting, as the top priorities in K-12 education funding.

ONGOING POLICY

Alternative Schools: Support efforts to create effective alternative schools for students who do not perform well in traditional school settings.

School-To-Work: Ask the Board of Elementary and Secondary Education (BESE) to prepare a report showing how federal money for "school-to-work" programs is being spent.

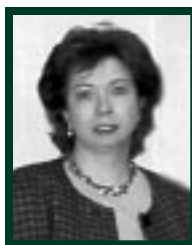
Early Childhood Education: Support providing a better quality academic program in pre-K and in the first three years of elementary school to lay the proper foundation for later learning.

Charter Schools: Facilitate the expansion of charter schools by amending the charter school law or recommending policy changes to BESE to streamline the approval process. Support increasing the number of charter schools in Louisiana by changing the present charter school laws to remove the 40-school limit statewide.

Parent/Teacher/Citizen Empowerment: Support efforts to provide parents, citizens and educators with factual information about education issues at all levels and teach them how to get involved and make the education system work for them and their children.

Collective Bargaining: Oppose legislation requiring collective bargaining and/or binding arbitration by any public body.

Contact: Brigitte Nieland (225/928-5388 ext. 270) As Director of the Education Council, Brigitte coordinates business' involvement in education reform issues, including workforce development. She oversees the communications operation as Vice President of Communications.



Brigitte Nieland
Director, Education Council
Vice President, Communications
LABI



Polly Broussard
Chairman
Education Council
Associated Professional Educators of
Louisiana

EMPLOYEE RELATIONS

The “fiscal only” session precludes any significant legislative activity impacting employee relations issues. However, LABI remains watchful for any legislation that may weaken the state unemployment compensation trust fund’s ability to meet benefit demands and precipitate higher employer taxes.

CURRENT ISSUES

Unemployment Compensation: Support legislation to lower unemployment compensation (UC) taxes, which are paid exclusively by employers, and oppose any legislation that would jeopardize the state UC trust fund’s solvency and risk higher employer taxes.

Noncompetition Agreements: Support legislation to protect businesses against unfair competition by allowing them to enter into noncompetition agreements with their employees that would place reasonable restrictions on such employees.

Incumbent Worker Training Funds: Support legislation that would allow businesses – in particular, small businesses – better access and greater flexibility in the use of monies from the incumbent worker training fund.

Employer Liability: Support legislation to repair judicially imposed employer liability doctrines established contrary to legislative intent.

Exclusive Remedy/Statutory Employer: Defend the exclusive remedy and statutory employer provisions of the workers compensation (WC) law.

Employment-at-Will: Support legislation to ensure employment-at-will as a right of all Louisiana employers.

Drug-Free Workplace: Support legislation and promote administrative policies that make it easier for employers to maintain a drug-free workplace in Louisiana.

Forum Selection: Support legislation to protect and enhance the freedom to contract with respect to forum selection in the employment relationship.

Judicial Monitoring: Advise the employer community of judicial and administrative decisions that destroy the effectiveness of legislated reforms in workers compensation.

ONGOING POLICY

Collective Bargaining: Oppose legislation requiring collective bargaining and/or binding arbitration by any public body.

Employee Leasing: Support legislation to ensure that employee-leasing firms do not insulate their clients from

their WC and/or UC experience rating, and oppose any erosion of existing statutory protections.

Equal Employment Opportunity: Support equal employment opportunity by coordinating existing state and federal antidiscrimination laws, but oppose any legislation that would expand upon existing remedies and protections.

Labor Relations: Support legislation to prohibit state and local government interference with employers’ rights and protections as provided under existing federal laws governing labor/management relations. Oppose any state legislation designed to weaken employers’ protections under existing federal laws governing labor/management relations.

Mandated Employee Benefits: Oppose any statutory intrusion into the area of employee/employer relationships, including but not limited to mandated benefits. Oppose any creation or expansion of government-mandated benefits under employer health plans except those that are proven to be cost effective.

Prevailing Wage: Oppose any attempts by the Legislature to re-enact a prevailing wage law, which would result in the state or local governments paying more for goods and services than is paid by businesses in the private sector.

Right-to-Work: Do everything necessary to maintain Louisiana as a Right-to-Work state, including opposing “agency shop” legislation, which would force non-union employees to pay dues to a union just like its members.

Second Injury Fund: Continue to assess the viability of the Second Injury Fund and support legislation to establish an equitable assessment method for its funding.

Seminars: Plan and implement seminars on such issues as WC, UC, employer liability, private and public sector unionism, and employment and labor laws.

Unemployment Compensation: Support legislation to coordinate federal and state laws defining taxable employment.

Unemployment Compensation: Support legislation to fine-tune the UC law in Louisiana and eliminate employee and employer abuses.

Unemployment Compensation: Update and publish the LABI UC Manual.

Workers Compensation: Promote prosecution of the crime of WC fraud and protect employers' ability to defeat fraudulent claims.

Workers Compensation: Study the possibilities of amending the WC confidentiality rules to allow for discovery of prior accidents, injuries and/or other claims.

Workers Compensation: Support efforts to create an efficient and less costly WC market by encouraging continued growth and increased competition within the voluntary market.

Workers Compensation: Support legislation equalizing all WC benefits to a percentage of after-tax income.

Workers Compensation: Support legislation to provide for quality (but not excessive or unnecessary) medical treatment and ancillary services, and pursue other alternatives designed to lower WC medical costs.

Workers Compensation: Support legislation to strengthen Louisiana's WC law, and oppose legislation that would expand WC coverage and increase costs to employers.

Workers Compensation: Update and publish the LABI WC Desk Book.

—See also the Federal Program—

Contact: Jim Patterson (225/928-5388 ext. 257) Serving as Employee Relations Council Staff Director, Executive Director of the Louisiana Right-to-Work Committee and Vice President, Governmental Relations, Jim's responsibilities include labor issues such as workers and unemployment compensation, and coordinating the lobbying team's efforts at the Legislature.



Jim Patterson
Director, Employee Relations
Executive Director, Louisiana
Right-to-Work Committee
Vice President, Governmental Relations
LABI



Gary O'Rielly
Chairman
Employee Relations Council
International Paper



Ronnie Provensal
Chairman
UC Task Force
The Waterfront Employers of New
Orleans



David Tatman
Chairman
WC Task Force
The Tatman Group

ENERGY

LABI, representing energy producing, transporting and consuming industries, will continue to support healthy economic growth of the state by promoting production of adequate supplies of all forms of energy at competitive prices, opposing increased taxes and fees on energy sources, encouraging conservation of resources, and balancing environmental concerns with energy production and usage.

MAJOR ISSUES

Energy Taxation

The Issue: Should Louisiana impose additional taxes and fees on oil, natural gas and other hydrocarbons?

LABI Position: Oppose increased or new taxes or fees on energy sources, such as:

- a processing, transportation, or refinery tax

- a change in the calculation of the natural gas or other energy franchise taxes which would increase the cost
- an increased severance tax
- a sales tax on natural gas transportation
- a coastal wetlands environmental levy
- a "first use" tax
- a minerals-in-place or reservoir tax.

Reasoning: Increased taxes on oil, gas or other hydrocarbons produced in or transported through Louisiana would have detrimental effects on the Louisiana economy for two major reasons:

- The mere threat of a processing tax is a disincentive for companies that operate here. The threat looms larger for companies that are considering locating new facilities or expanding existing facilities in the state. Louisiana residents and companies are net consumers of natural gas. They will be held captive to pay a processing tax, as there is no alternative but to purchase taxable products.
- Louisiana oil and gas producers, pipelines and refineries must compete in a world market. In a competitive market, increased taxes cannot be “tacked on”; rather, taxes and fees paid on hydrocarbon sales to out-of-state buyers must be absorbed by Louisiana companies. New taxes and fees would benefit other producing and processing states and countries, whose suppliers can displace Louisiana’s market share.

—Direct Small Business Impact—

Competition

The Issue: Should Louisiana legislative and regulatory policy allow full competition in the electric retail market?

LABI Position: Support a fair and fully competitive retail electricity market that allows all consumers, individually or as a group, the right to choose their supplier of electricity.

The move to competition should:

- Provide for the transition to competition for all consumers beginning in 2003.
- Require the continued regulation of the transmission and distribution of electricity.
- Provide incentives that will encourage the expansion and upgrade of electricity transmission facilities.
- Promote reliability of electric service for all consumers.
- Require the equitable sharing of net verifiable stranded costs that cannot be mitigated.
- Protect consumers from unwarranted shifts in tax burdens.
- Provide for the prompt amendment or repeal of statutory constraints to open access, including the 300-foot rule.

Sales Taxes

The Issue: Should Louisiana continue to impose state sales taxes on energy and energy sales?

LABI Position: Support legislation that would eliminate or reduce sales and use taxes on energy and energy sales to all classes of customers.

Reasoning: It is widely recognized that sales and use taxes on energy resources and energy sales serve to dramatically increase the cost of energy to all consumers.

— Direct Small Business Impact—

CURRENT ISSUES

Assessment Practices/Electric Utilities: Oppose redistribution of tax proceeds to other parishes than the parish where the electric utility plant is located.

By-Products: Maintain the non-taxable status of by-products and intermediate materials.

Oil and Gas Development: Support legislation that will continue to offer incentives to stimulate oil and gas exploration and production in Louisiana.

Lease Use/Plant-Use Gas: Support legislation affirming the historical treatment of natural gas used at the lease and at gas processing plants as not being subject to sales or use taxes.

Mineral Property Taxes: Oppose efforts to undermine the current protection of oil, gas and associated mineral rights from the imposition of property taxes.

Mineral Taxes: Support legislation and/or regulations that will establish the fair market value for oil, natural gas, and oil and natural gas equipment for taxation purposes.

Competition: Support a fair and fully competitive retail natural gas market that allows all consumers, individually or as a group, the right to choose their supplier of natural gas.

Public Education and Research: (1) Support research and compilation of data that reflects the impact of agency fees on business. (2) Support legislation to provide funding for energy-related research by the LSU Center for Energy Studies. (3) Support educational programs to inform the Louisiana public of the serious nature of the changes in energy costs and availability, encourage active energy conservation programs and plan a program for community activities to facilitate such educational efforts, which will be developed and implemented by LABI Energy Council members.

ONGOING POLICY

Oil and Gas Development: Oppose legislation that would impose additional restrictions on mineral leasing, drilling permit acquisition, or other onerous requirements that act as a disincentive to exploration, production and transportation of natural gas and oil unless and until valid, scientific studies document significant adverse impacts on the environment and risk assessments are attached.

Assessment Practices/Pipelines: Support equitable assessment practices for pipelines classified as public service properties.

Oil and Gas Development: Support streamlining of exploration, production and transportation permitting and reduction of regulatory burdens.

Oilfield Wastes: Support the current jurisdiction of the Department of Natural Resources and the Department of Environmental Quality and oppose changing the

jurisdiction thereof to the Attorney General or to any other department or agency.

Oilfield Wastes: See Environmental Quality Council Program, page 14.

Fees/User Pays: Ensure that fees assessed by regulatory agencies are limited to those that are necessary to adequately support programs and personnel with expertise and are relevant and in proportion to the services rendered and are equitably assessed on all classes of users.

Injection Wells: Support the retention of the responsibility for Class I and Class II injection wells related to oil and gas exploration and production within the Department of Natural Resources.

Consumer Advocacy: Oppose legislation that would establish new programs within new or existing agencies or departments that require public funding for representation or intervention in regulatory proceedings.

Energy Development: Support legislation that will promote use of Louisiana energy sources but does not unduly favor one energy form over another.

Expropriation: Support the existing Louisiana statutes and constitutional guarantees for the orderly expropriation of property and for the compensation for those properties expropriated.

Intrastate and Interstate Pipelines: Participate actively with governmental entities and leaders to ensure the viability and integrity of the state's intrastate natural gas

systems and those interstate natural gas systems that operate and serve customers in Louisiana.

—See also the Federal Program—

Contact: Ginger Sawyer (225/928-5388 ext. 244) As Energy Council Director, Ginger handles issues impacting Louisiana's energy producing and consuming industries. Ginger's oversight as Vice President of Political Action encompasses managing the day-to-day operations of LABI's four affiliated political action committees, which recruit and help elect pro-business legislative candidates. She directs the grassroots efforts that are integral to our legislative successes.



Ginger Sawyer
Director, Energy Council
Vice President of Political Action
LABI



James Bradford
Chairman
Energy Council
Smurfit-Stone Container Corporation

ENVIRONMENTAL QUALITY

LABI's goal is to protect and improve the environment while maintaining a strong economic base.

CURRENT ISSUES

Hazardous Waste Tax: Oppose new or increased taxes on the generation, transportation, storage, disposal, incineration, recycling, injection or treatment of hazardous waste or any permitted emission.

Economic Development: Support fair and consistent enforcement of Louisiana environmental laws and regulations, but oppose using unrelated measures, such as restricting the availability of tax exemption programs, as penalties for environmental violations. Additionally, encourage state agencies to set long-term objectives so that business and industry can accomplish necessary planning vital to further economic development.

State Water Policy: Support a fair, flexible, and scientifically based state-wide water use policy that considers the needs of all water users.

Permit Issuance:

- Support legislation and/or regulation which minimizes uncertainty and provides clear guidance to the Louisiana Department of Environmental Quality (DEQ) and regulated entities relative to information, such as compliance with the "IT decision" (*Save Ourselves, Inc. v Louisiana Environmental Control Commission*, 452 So.2d 1152 (La. 1984)), which is required for issuance of permits and, upon compliance, ensures the issuance of permits.

- Oppose the use of “environmental justice” as a means of stopping economic development. Assure the rights of minorities are protected under the Civil Rights Act.
- Defend the doctrine establishing the presumption of the validity and correctness of DEQ decisions in issuing permits. Case law is replete with authority that the decision of DEQ in issuance of permits is presumed correct and valid.

Liability: Oppose any expansion of punitive damages, criminal penalties or “bad actor” provisions in environmental law or regulations.

Rule Flexibility: Support implementation of 1997 Act 992, which authorizes regulatory flexibility in return for improved environmental performance and recognizes DEQ as the sole authority.

DEQ Reorganization: Work with DEQ as the agency implements its re-engineering plan.

Consistency, Validity and Consolidation of Regulations: Encourage state and local agencies to streamline and simplify compliance with environmental programs by revising laws, regulations, standards, enforcement procedures, fees and penalties to be identical with federal requirements. Duplicative or overlapping regulatory programs and reporting should be consolidated, merged or eliminated to reduce the costly regulatory burden on industry. Regulations should be founded on valid science, rather than upon unsupportable allegations or claims. LABI supports DEQ’s efforts to coordinate federal and state environmental programs and recognizes DEQ’s primacy in federally delegated programs.

Environmental Compliance Records: Support accurate facility compliance records by encouraging clear, concise differentiation by DEQ between an issued and/or pending order and a resolved and recorded legal enforcement action. Encourage DEQ to include in the official compliance record only settled or resolved enforcement actions.

Agency Fees: Support a streamlined DEQ fee structure that accurately reflects the cost of the service provided, does not exceed that cost, funds only the specific program for which the fees are collected, and with rates distributed fairly between industry and local governing authorities. LABI will support new or increased fees only if DEQ can justify the need for the additional revenue, assures the fees will be used only for the services for which they are intended, and provides evidence of increased efficiency measures. Work with DEQ to create a consolidated and itemized fee invoicing system.

Landowner Rights: Oppose the regulation of any use or condemnation of private property unless based on adequately demonstrated public need. Support legislation to require the governing body to deal openly with the landowner and to adequately compensate property owners for loss of use or devaluation of their property caused by environmental regulations, laws or policy.

Waste Regulation: Eliminate duplicative Public Service Commission jurisdiction over the regulation of waste,

thereby injecting competition into the delivery of waste services.

Agency Funding: Support adequate state general revenue funding of DEQ that reflects its regulatory mandate and the services rendered to governing authorities and the general populace. Stable, consistent funding with strict guidelines for expenditures and outside contracts, grants and contributions must be implemented to maintain needed services and ensure accountability.

Clean Air: Support efforts to make Louisiana’s air quality programs equivalent to and no more restrictive than the 1990 amendments to the federal Clean Air Act. Support legislation and rules that equitably distribute the responsibility for meeting air quality requirements among all emission sources. Support DEQ efforts to promote federal acceptance of reasonable state air quality programs.

ONGOING POLICY

Public Communication: Encourage the use of sound science to explain the issues, quickly addressing inaccurate media coverage and publishing information on environmental progress. Develop and maintain ongoing proactive programs and dialogue with government, news media, regulators and the public to promote maximum understanding of environmental quality issues, including risk management programs, and associated risks and benefits. Encourage member companies, local chambers of commerce and other business and professional organizations, as well as governmental agencies, to further improve internal and external communication of environmental issues and progress.

Permitting:

- Encourage the state to adequately fund environmental programs and to set compensation levels and implement other modifications to attract and retain trained environmental professionals to manage DEQ and to process permit applications in a timely manner.
- Streamline the permitting process.
- Encourage informal dialogue between DEQ and the regulated community about permitting and enforcement matters.
- Oppose the banning of any permitted business activity unless and until valid, scientific studies document significant adverse impact on the environment.

Development of Regulations: Support the continued publication by DEQ of the agency’s regulatory agenda and continued expansion of information available from and submitted to DEQ on the Internet and other electronic media. Additionally, the full text of proposed regulations should be published in the *Louisiana Register* and available on the DEQ web site; copies of proposed rules should be promptly available in DEQ’s regional offices; fiscal and economic impact statements should realistically reflect compliance costs to industry and local government.

Oppose the development of “unwritten policies” and “guidelines” by DEQ in lieu of properly promulgated and authorized rules.

Emergency Reporting: Support efforts to implement 1989 Act 200 requiring DEQ and the Department of Public Safety to create a statewide uniform emergency reporting and notification system. Lists of reportable chemicals and quantities must be made identical, with penalties prohibited for substances not on the DEQ list.

Environmental Leadership: Support and encourage member participation in the Louisiana Environmental Leadership Pollution Prevention Program.

Exclusionary Provisions: Oppose any regulatory or legislative attempt to introduce unnecessary exclusionary language that would, by inclusion or exclusion, restrict to any group or groups of environmental professionals the delivery of environmental services.

Gulf of Mexico Program/Barataria-Terrebonne National Estuary Program: Support programs that are based on scientific information and that balance environmental concerns with economic development; encourage DEQ and LABI members to participate to the greatest extent possible and to communicate the programs’ progress with other members and the public.

Small Business: Support efforts to minimize the regulatory burden on small business, and support and participate in activities to assist small business with environmental compliance.

State Jurisdiction: Support existing laws granting exclusive jurisdiction of the Louisiana Environmental Affairs Program and the Coastal Zone Management program at the state level, and maintain the present DEQ jurisdiction.

Interagency Consistency: Encourage an ongoing dialogue among state agencies to ensure interagency regulatory consistency and the promotion of a favorable business climate while continuing to protect and improve the environment. Promote and support the elimination of the Louisiana Resource Development Authority.

Management of Waste: Support legislation and regulations that allow business, industry and local governing authorities to take advantage of all environmentally sound waste management technologies, including but not limited to reuse, recycling and waste exchanges. LABI supports regulatory programs that encourage free enterprise and a competitive business climate. LABI opposes excessively complex regulations that discourage the beneficial use of sound technologies and by-products.

Litter: Support and encourage all efforts to eliminate litter in Louisiana, including anti-litter public campaigns.

Access to Information: Support implementation of state law (Act 1063 of 1990) with regard to freedom of information to assure that it adequately serves the needs of the general public and the private sector, while protecting

the confidentiality of sensitive information where appropriate.

Right-to-Know: Support making Louisiana’s Right-to-Know program consistent with the Superfund Amendment and Reauthorization Act (SARA), Title III.

Oilfield Wastes: Oppose legislation that would unilaterally reclassify oilfield wastes as hazardous or any other inappropriate classification. LABI supports EPA’s current definition of hazardous wastes related to oil and gas exploration and production activities. Encourage the development of scientifically appropriate, reasonable testing regulations that accurately demonstrate the non-hazardous nature of the majority of oilfield wastes.

Coastal Zone: Continue to support efforts to conserve the coastal zone in accordance with Act 361 of 1978, particularly with regard to state jurisdiction.

Water Conservation: Monitor the development of state and federal water conservation programs to ensure that all water users — industrial, residential and commercial — are assured adequate access to usable water sources.

Administrative Procedures: Ensure that all provisions of Act 739 of the 1995 Regular Legislative Session relative to the division of administrative law be maintained. Further, require DEQ adherence to the Administrative Procedure Act (APA) to ensure due process, fairness and accuracy in the promulgation and implementation of regulations and policies. The APA should guide the conduct of administrative procedures relative to actions and decisions by the department.

—See also the Federal Program—

Contact: Emily Stich (225/928-5388 ext. 262) Emily’s responsibilities as Vice President for Research and Programs include the yearlong task of coordinating the entire Program development process that results in this document. She is also the Director of the Environmental Quality Council and a House floor lobbyist.



Emily Stich
Director, Environmental Quality Council
Vice President, Research and
Programs, LABI



Paul D. Miller
Chairman
Environmental Quality Council
CLECO Corporation

GOVERNMENTAL REFORM

LABI encourages the enactment and enforcement of state laws and policies that promote honest, fair and responsible government and that allow all citizens to participate in the electoral and governmental processes. Businesses should be able to operate in an atmosphere in which the political arena is not a hindrance to economic development.

MAJOR ISSUE

Initiative

The Issue: Should Louisiana retain its current system of voter participation and lawmaking or move to a different system?

LABI Position: Maintain Louisiana's current referendum system, which requires that voters approve all changes to Louisiana's constitution.

Reasoning: LABI encourages and supports the public's participation in the political process through their right to approve amendments to the state constitution. However, initiatives are all too often used to promote anti-economic development proposals. Even if successful in defeating such propositions, the business community must spend exorbitant sums of money to fight them in states with public initiatives. In all too many instances, ballot initiatives are like frivolous lawsuits: Even when businesses prevail against them, the cost of winning is a heavy burden to bear.

Contrary to the original intent, initiatives are increasingly becoming a tool of special interests. The days of "mom and pop" groups running successful initiative campaigns out of someone's kitchen are over. Instead of reining in special interests, states with the initiative process have seen an explosion of special interest groups.

While not perfect, the legislative process does contain some important safeguards. For example, there is no provision in the initiative process to amend the language once the required number of signatures has been verified for placement on the ballot. In the legislative process, the ability to amend legislation as it advances can correct defects and build a greater consensus for a proposal.

—Direct Small Business Impact—

ONGOING POLICY

Ethics

- Support the retention of a single board governing ethics for elected officials, public employees and lobbyists, and support the enforcement of existing laws. Monitor the activity and decisions of this board, particularly with

regard to their effects on the business community and the election process.

- Strengthen enforcement of Louisiana's ethics law regarding campaign finance, lobbyist disclosure and implementation and enforcement of the Code of Ethics as it relates to public employees and elected officials.
- Support retention of a strong campaign finance disclosure law, including provisions to require full disclosure of all campaign contributions. Support the current rights of citizens and corporations to contribute to political campaigns, both individually and as legally constituted committees.
- Support retention of a strong lobbyist disclosure law.

Civil Service: Support legislation to reform civil service to achieve maximum efficiency in state government.

Public Access to Legislators: Oppose any efforts to limit and/or restrict public access to legislators and/or House and Senate chambers.

Government Efficiency: Support efforts to operate state government in a more efficient, cost-effective and fiscally responsible manner, including privatizing state government services where feasible.

Retirement Systems: Support consolidation and reform of state retirement systems, including elimination of early retirement after 20 years of service regardless of age for future state employees. Oppose any expansion of benefits or coverage in order to help ensure fiscally responsible funding and actuarial soundness of Louisiana's public retirement systems.

Judicial Ethics: Support the placement of judges under the Code of Governmental Ethics.

Judicial Reform: Support programs and legislation to foster judicial excellence, particularly merit selection of judges.

State Contracts: Support strengthening existing law that prohibits awarding state contracts for goods and services to any public official or his/her immediate family.

Government Appointments: Support efforts to change appointed governmental positions and certain elected positions to professional positions.

Little Hatch Act: Support “Little Hatch Act” provisions in the state constitution that prohibit state and local classified civil service employees from participating in certain partisan political activities while so employed.

Term Limits: Support legislation to limit the terms of all state-wide elected officials.

Term Limits: Continue to support existing law that limits the number of terms a person can serve in the Louisiana Senate and House of Representatives.

Boards and Commissions: Support legislation to promote experience and expertise by allowing individuals to serve on boards and commissions and to recuse themselves when an issue arises involving a conflict of interest.

Boards and Commissions: Support legislation that would require public or quasi-public boards and commissions to adhere to the same legal requirements and accountability standards as other public bodies. Also, support legislation to limit the number of terms a person can serve on certain boards and commissions.

Public Meetings, Public Records: Oppose efforts to weaken the Open Meetings Law, the Public Records Law, the Election Code, the Public Bid Law and the Local Government Budgeting Act; and protect the rights of individuals and organizations to full and open participation in governmental processes.

Office of the Inspector General: Support appropriate legislation to protect the Office of Inspector General in state law, rather than just by executive order.

Contact: Bridgette Richard (225/928-5388 ext. 258) An attorney licensed in Louisiana, Bridgette is LABI’s Legislative Legal Counsel. She also serves as Staff Director for the Small Business Council and the Health Care Task Force.

OR

Contact: Bruce Bradley (225/928-5388 ext. 259) As Assistant Director of Political Action, Bruce’s purview includes ethics and governmental reform issues. He is also a House floor lobbyist and Director of the Trade and Tourism Council.



Bridgette J. Richard
Director, Governmental Reform
Legislative Legal Counsel
LABI



Dick Juneau
Chairman
Small Business Council
International Manufacturers
Representatives

HEALTH CARE

LABI encourages a cost-effective, competitive health care market as an incentive to economic growth and development while assuring that consumers in Louisiana continue to receive high quality, accessible health care.

LABI shall:

- *be active in issues which would affect cost, an employer’s right to contract, or an employer’s flexibility to determine and provide employee benefits.*
- *participate in those issues pertaining to licensure, scope of practice, credentialing and registration only if it can be proven that those issues produce an undue burden upon employers.*
- *take an active role in opposing burdensome employer health care mandates.*
- *take an active role in other issues affecting the cost of health care to employers.*

MAJOR ISSUES

Cost Shifting

The Issue: Should employers and employees be forced to pay higher health insurance premiums due to cost shifting from public programs?

LABI Position: Support appropriate and suitable funding for state-funded health programs, including but not limited to Medicaid and the Office of State Group Benefits.

Reasoning: Due to grossly inadequate reimbursement by government programs, health care providers compensate for their losses by charging higher premiums to employer-

sponsored health plans. According to a recent American Hospital Association Study presented to the Louisiana Health Care Commission, private health care insurance in Louisiana pays 166.5 percent of actual hospital costs – one of the highest rates in the nation.

Health Care Incentives

The Issue: How should the state reduce the number of uninsured in Louisiana? At 25 percent, Louisiana has one of the highest uninsured rates in the nation.

LABI Position: Support appropriate incentives to encourage employers to offer or maintain employer-based health care coverage (and for employees to participate).

Reasoning: Most of the 43 million uninsured Americans are connected to the workforce in some way (i.e., workers, dependents, etc.). Louisiana's uninsured rate rose while the rest of the nation decreased during the last five years. Not only are fewer employers offering coverage in Louisiana, but more employees are choosing not to enroll in employer-sponsored health plans when offered. Both of these phenomena are due to extraordinary increases in employer premiums and the employee's share of premium during the same period. Having more uninsured shifts more costs to private payors in the form of uncompensated care costs.

Mandated Benefits

The Issue: Should employers be forced to bear the additional cost of governmentally imposed mandates?

LABI Position: Oppose new or expanded governmentally mandated benefits in health plans, except those benefits that are effective in controlling health care costs. Oppose new or expanded governmentally mandated payments by health plans for the benefit of a limited population or specific providers, except when there is a documented, actuarially positive benefit for such mandates.

Reasoning: Most employers already voluntarily offer health care plans that benefit the majority of employees across the board. Mandating coverage in any area would result in higher insurance premiums, making it difficult, if not impossible, for small business owners to provide health insurance for their employees. If employers are forced to drop coverage because of the continued imposition of mandates, this will increase the uninsured and underinsured population and make Louisiana employers less competitive with employers in neighboring states. Mandated benefits are unnecessary government interference, and they restrict employer/employee choices.

—Direct Small Business Impact—

Civil Liability

The Issue: Should employers be exposed to a new form of civil liability?

LABI Position: Oppose legislation that would create civil liability for employers and their health plans.

Reasoning: Attempts are being made to expose employers and/or their health plans to a new form of civil liability. If employees allege that they have not received appropriate care or have been denied care that they believe they are entitled to, they can sue the health plan and the employer. This new form of liability would have a severe impact on all employers and health plans.

—Direct Small Business Impact—

CURRENT ISSUES

Premium Tax Credit: Support efforts to preserve premium tax credits for insurers investing in qualified Louisiana investments and assessments paid to the guaranty associations.

Provider Taxes or Premium Taxes: Oppose efforts to develop or expand public programs through new taxes on health plans or health care providers that would increase the cost of employer-sponsored health care benefits.

Tax Credit: Support legislation to provide employers with a tax credit for every mandated health care benefit they are required to provide.

Tax Credit: Study the potential of making health care coverage more affordable, reducing the number of uninsureds and taking pressure off of the indigent care system through a system of tax credits or other incentives to employers for providing such coverage.

Long-Term Care: Support legislative efforts to investigate the features and economics of long-term care insurance.

ONGOING POLICY

Mandates: Support legislation to sunset all state health insurance mandates within a set period of time, and require a documented cost/benefit analysis on both public and private entities before they can be renewed. Oppose any expansion of government-mandated benefits except those that are proven to be cost-effective.

Payor Responsibility: Support the current system that clearly defines responsibility between health care insurers and workers compensation carriers.

Medical Necessity Review Organization (MNRO): Support efforts to ensure promulgation of rules that are consistent with the legislation enacted.

Professional/Patient Conflict of Interest: Oppose provider ownership relationships and referral practices that drive inappropriate utilization and higher medical costs. Support legislation to prohibit these inappropriate referral practices.

Managed Care: Support the continued development of cost-effective managed care that ensures quality and access to appropriate medical services. Oppose attempts to limit or restrict purchasers' and their agents' efforts to negotiate for lower medical costs and exclusively contract for health

care services when appropriate. Oppose legislation that imposes unreasonable requirements for credentialing or residency of medical professionals performing medical necessity review. Oppose regulatory efforts to impose unnecessary restrictions on utilization review criteria including state-mandated appeals or legal procedures or the use of private external review entities. Oppose attempts to circumvent managed care cost containment strategies or controls.

Business Coalitions: Support efforts by business groups, organizations and health care coalitions to aid businesses in their quality improvement and cost containment efforts.

Continuum of Care: Support the continuum of care, (through the Medicaid program,) which is cost effective and within that continuum, support the development of home- and community-based services for Louisiana’s aging population.

Purchasing Cooperatives: Support the establishment of private, voluntary, employer group purchasing cooperatives through which eligible employees can purchase health care insurance.

Medical Savings Accounts: Support the extension of current law relative to medical savings accounts.

Managed Coverage: Oppose government mandates that require employers to provide or pay for health insurance.

Certificate of Need: Support competition in the health care industry by opposing state imposition of “certificate of need” or other similar requirements.

Professional Liability: Support efforts to achieve professional liability reform and reduce professional liability costs.

Cost Containment/Provider Reimbursement: Support appropriate market cost containment efforts in the health care marketplace. Oppose rate-setting legislation that would shift costs to the private sector.

Alleviate Shortages: Support efforts to alleviate shortages of primary care physicians and allied health care professionals as appropriate through, but not limited to, scholarships, training and continuing education.

Employer Programs: Support employer programs that provide for employee education, health and wellness promotion, managed care programs and other measures that enhance quality improvement and health care cost containment efforts.

Health Care Commission: Support public policy efforts of the Louisiana Health Care Commission that will result in cost-effective delivery of quality health care services and appropriate benefits and will deal fairly with consumers, employers, providers and insurers.

Technology and Innovations: Support and encourage effective use of technology and innovations to deliver health care services.

State Funding: To the extent consistent with LABI’s Taxation and Finance Program positions, support realistic and reliable funding for care of the indigent population through broad-based public support that does not unfairly burden health care purchasers or providers.

State Benefits Program: Support cost-effective design and management of the state group employee benefits program.

Coordination of Benefits: Oppose inappropriate billing of patients and health insurance providers for services that should be covered by another insurer.

Collective Bargaining: Oppose legislation that would exempt any health care organization from antitrust laws.

Balanced and Duplicate Billing: Support measures to prohibit providers’ billing of health plan members for amounts above contracted rates and for amounts paid by health plans.

Timely Payment: Support legislation and other measures to ensure health care providers are timely paid the contracted rates for amounts owed by health insurance issuers and health benefit plans.

—See also the Federal Program—

Contact: Bridgette Richard (225/928-5388 ext. 258) An attorney licensed in Louisiana, Bridgette is LABI’s Legislative Legal Counsel. She also serves as Staff Director for the Small Business Council and the Health Care Task Force.



Bridgette J. Richard
Director, Health Care Task Force
Legislative Legal Counsel
LABI



Steve Deist
Chairman
Health Care Task Force
Deist & Associates

LIABILITY

Liability exposure is a major concern to individuals, government, professionals and businesses, both large and small. Since 1996, the governor and Legislature have been instrumental in bringing about some much needed changes to our civil justice system. LABI welcomed the opportunity to work with them for such changes. We will fight to hold on to the gains made and to continue improving our system, while monitoring our courts' interpretations of pertinent laws.

MAJOR ISSUES

Committee Structure: Work to assure balanced membership on legislative committees to which liability-related legislation is referred.

Court Watch: Continue to raise awareness, especially in the business community, of key judicial decisions that impact economic development in Louisiana.

ONGOING POLICY

Tort Reform Defense: Defend existing strengths in Louisiana's civil justice system.

Double Recovery: Support legislation to eliminate double recovery of damages.

Trial by Jury: Support reducing the monetary threshold amount required for a civil jury trial and establish that the right to trial by jury will supercede jurisdictional limits of all courts.

Direct Action: Support legislation to reform Louisiana's unique direct action law and to outlaw presentation of evidence of liability insurance to the jury.

Personal Responsibility: Encourage use of safety devices by allowing introduction of evidence on their non-use/misuse to establish comparative fault.

Forum Selection: Support legislation that allows parties to select by contract which forum and laws will apply.

Pre-judgment Interest: Support efforts to reform pre-judgment interest.

Class Action/Multi-Party Litigation: Monitor developments in the use of the class action/multi-party procedure and respond as needed with appropriate legislation.

Government-sponsored Lawsuits: Support efforts to stem the tide of government-sponsored litigation.

Venue: Support legislation that sets forth appropriate venue rules in class action and multi-party cases.

Expert Testimony: Work with appropriate branches of government to resolve problems arising from admissibility of certain opinion testimony by witnesses presented as experts.

Filing of Lawsuits: Oppose efforts to lengthen the time frame in which lawsuits can be filed. Support legislation to re-establish, expand and strengthen traditional defenses.

Protective Orders: Lower excessive court costs by repealing protective orders legislation enacted in 1995. Support legislation limiting "fishing expeditions" for extraneous information in lawsuits.

Impeachment Evidence: Support legislation to amend the evidence code to protect impeachment evidence from discovery.

Professional Liability: Support appropriate professional liability reform.

Alternative Dispute Resolution: Support appropriate legislation that would encourage alternative dispute resolution.

Liability Insurance: Support appropriate legislation to reduce liability insurance costs.

Product Liability: Support legislation that protects manufacturers and sellers of legal products from litigation that attacks the inappropriate usage of products by third parties.

Appellate Review of Fact: Study the effects of Louisiana's unique rule that allows appellate courts to overturn lower court decisions on issues of fact without returning cases to trial courts for determination of facts.

Judicial Reform: Support programs and legislation to foster judicial excellence, including merit selection of judges.

—See also the Federal Program—

Contact: Jonica Coates (225/928-5388 ext. 255) As Director of the Liability Task Force, Jonica handles civil justice reform issues. She is the editor of *Court Watch*, LABI's periodic newsletter covering court decisions that impact business. Also under her purview: federal issues.



Jonica Coates
Director, Liability Task Force
Editor, *Court Watch*
LABI



Jimmy Burland
Chairman
Liability Task Force
Burland & Associates, Inc.

SMALL BUSINESS

The future growth of the economy in Louisiana will greatly depend on maintaining a healthy industrial base coupled with a thriving small business community. Over 80% of LABI's membership is comprised of small businesses. LABI recognizes their concerns over the growing risk of liability associated with routine business operations and governmentally imposed costs and regulations.

MAJOR ISSUES

Franchise Tax: See Taxation Program, page 23.

Sales Tax on Machinery and Equipment: See Taxation Program, page 24.

Business Activity Tax

The Issue: In addition to corporate taxes, our state's businesses pay approximately 95% of property taxes, 40% of sales taxes and a substantial portion of the individual income tax. Therefore, should Louisiana businesses be forced to pay higher taxes for doing business in the state?

LABI Position: Oppose legislation that would impose additional taxes on businesses, thus decreasing Louisiana's ability to attract and retain jobs and investment.

Reasoning: One of the taxes proposed during the 2000 session that would have had a negative impact on economic development is the Business Activity Tax (BAT). The BAT was patterned closely after Michigan's Single Business Tax, which has not been adopted by any other state. It would be a tax increase potentially of hundreds of millions of dollars that would fall heaviest on the majority of small businesses in Louisiana, *e.g.*, sole proprietorships, partnerships, "S" corporations and limited liability companies, in the form of a new tax at the entity-level. Moreover, the owners of these businesses would still pay income tax on their business income on their personal tax returns.

The BAT base generally includes federal taxable income, plus

- Taxes paid on income
- Total Compensation (all wages, salaries and benefits)
- Depreciation

Unlike the income tax, businesses would pay this tax even if they lose money in a taxable year. The enactment of this type of tax would destroy economic development efforts in this state by placing a substantial tax on labor, one of the most important components of doing business in Louisiana.

Energy Taxation

The Issue: Should Louisiana impose additional taxes and fees on oil, natural gas and other hydrocarbons?

LABI Position: Oppose increased or new taxes or fees on energy sources, such as:

- a processing, transportation, or refinery tax
- a change in the calculation of the natural gas or other energy franchise taxes which would increase the cost
- an increased severance tax
- a sales tax on natural gas transportation
- a coastal wetlands environmental levy
- a "first use" tax
- a minerals-in-place or reservoir tax.

Reasoning: Most small businesses in Louisiana are directly or indirectly affected by the viability of the oil and gas industry. Increased taxes on oil, gas or other hydrocarbons produced in or transported through Louisiana would have detrimental effects on the Louisiana economy for two major reasons:

- The mere threat of a processing tax is a disincentive for companies that operate here. The threat looms larger for companies that are considering locating new facilities or expanding existing facilities in the state. Louisiana residents and companies are net consumers of natural gas. They would be held captive to pay a processing tax, as there is no alternative but to purchase taxable products.
- Louisiana oil and gas producers, pipelines and refineries must compete in a world market. In a competitive market, increased taxes cannot be "tacked on"; rather, taxes and fees paid on hydrocarbon sales to out-of-state buyers must be absorbed by Louisiana companies. New taxes and fees would benefit other producing and processing states and countries, whose suppliers can displace Louisiana's market share.

Frivolous Suits

The Issue: Individuals and businesses are sick and tired of being sued or living under the threat of being sued. Many of these cases have no merit. They are nuisances.

LABI Position: Support appropriate legislation to discourage the filing of frivolous lawsuits and to curb abusive litigation tactics.

Reasoning: The existing guidelines for dealing with frivolous suits, spelled out in Louisiana's Code of Civil

Procedure, are obviously not working. Surveys of LABI's membership showed anger, frustration and helplessness among a startling number of respondents — feelings that have only grown stronger through the years. If the present way of doing it isn't getting the job done, other avenues must be explored. A solution must be found to give much-needed relief.

CURRENT ISSUES

Franchise Tax: Support legislation to eliminate the franchise tax.

Inventory Tax: Support retention of Louisiana's inventory tax credit at the current level.

Inheritance Tax and Gift Taxes: Support the continuation of the phase-out of inheritance taxes and the corresponding repeal of the gift tax.

Tax Credit: Support legislation to provide employers with a tax credit for every mandated health care benefit they are required to provide.

Tax Credit: Support legislation to provide a tax credit on gross premiums to all employers who provide health insurance, making health care coverage more affordable, reducing the number of uninsureds and taking pressure off of the indigent care system.

Unemployment Compensation: Support legislation to allow small business owners to forego paying UC taxes on only themselves by choosing not to be eligible for unemployment benefits.

Fees: Support legislation to limit or reduce the amount of fees assessed on small businesses.

Sales Tax: Support legislation to centralize the collection of sales tax.

Business Tax Burden: Oppose the elimination, reduction or modification of any tax exemptions, deductions, exclusions or credits, including the inventory tax credit. Oppose the imposition or increase of any taxes or fees, including those on energy or energy resources, that would increase the imbalance in the tax/financial burden borne by business in Louisiana. Support efforts to limit or reverse judicial expansion of the business tax burden.

Small Business Day at the Legislature: Continue to hold Small Business Day at the Legislature annually to promote the legislative agenda developed by the Small Business Council and to provide small-business people the opportunity to visit with their legislators regarding issues important to them.

ONGOING POLICY

Incumbent Worker Training Funds: Support legislation that would allow businesses — in particular, small businesses — better access and greater flexibility in the use of monies from the incumbent worker training fund.

Industry Training/Workforce Development: Promote cooperative efforts between business owners, education institutions and the Department of Labor to ensure that workforce training programs are easily available to small businesses in Louisiana, are updated regularly and are customized to meet the needs of small business owners.

Education: Continue to support efforts to improve the quality of education at all levels in Louisiana by making the best possible use of tax dollars spent on education, to try new or more effective methods of education, and to demand better accountability, which will improve the quality of the workforce and economic prosperity in the state.

Unemployment Compensation: Oppose legislation that would jeopardize the solvency of the Unemployment Compensation (UC) Trust Fund, or would repeal or dilute previously enacted UC reforms. Oppose expanding the use of the UC Trust Fund for any purpose other than UC benefits.

Unemployment Compensation: Support efforts to further tighten the eligibility requirements for receiving unemployment benefits, and impose stronger penalties for fraudulent claims.

Tort Reform: Oppose liberalization of Louisiana's tort laws with specific emphasis on preserving reforms enacted in the following areas: strict liability, joint and several liability, punitive damages, product liability, class actions and government liability.

Public Bid Law: Support legislation to strengthen the enforcement of the public bid law. Oppose any efforts to circumvent or make exceptions to the public bid law.

Preference Laws: Support bid preference laws only on a reciprocal basis against companies from states that deny or restrict opportunities for competition by Louisiana businesses.

Workers Compensation: Support legislation to reduce workers compensation (WC) costs by overturning liberal court decisions, addressing factors responsible for escalating medical costs, and opposing the imposition of any tort remedy in WC cases. Promote an efficient WC insurance market through participation in the oversight of the Louisiana Workers Compensation Corporation.

Mandated Benefits/Mandated Coverage: Oppose new or expanded governmentally mandated benefits to group health plans or other employee benefits, except those that are effective in controlling health care costs. Oppose new or expanded governmentally mandated payments for specific providers, except those that are cost-effective to the overall health care system. Oppose governmentally mandated employer-provided or employer-paid health insurance.

Right-to-Work/Agency Shop: Do everything necessary to maintain Louisiana as a Right-to-Work state, including opposing repeal through any "agency shop" legislation.

Labor Relations: Support legislation to prohibit state or local government interference with employers' rights and

protections as provided under existing federal laws governing labor/management relations. Oppose any state legislation designed to weaken employers' protections under existing federal laws governing labor/management relations.

Government Efficiency: Support efforts to operate state government in a more efficient, cost-effective and fiscally responsible manner, including privatizing services wherever feasible.

Small Business Financing: Support legislation providing incentives for commercial financial institutions to extend credit to small businesses.

Government Contracts: Support an appeals process for small businesses that are discriminated against in federal, state and local government contract bids.

Government Prompt Payment: Support prompt payment legislation that would require state and local governments to pay their bills within 30 days and to be subject to interest, fines and penalties.

Government Competition: Restrict efforts by government to provide goods and services in competition with private businesses.

Prison Enterprises: Oppose expansion of prison enterprises or inmate labor and services not used solely in prison facilities, and support legislation requiring a public certification process, including economic impact studies, prior to the establishment of such programs.

Department of Economic Development: Support additional emphasis by the Department of Economic Development on providing assistance to Louisiana's small businesses, in addition to its historic mission of national and international recruitment of industry.

Regulatory Burden: Support the reduction of the regulatory burden on all businesses, especially small businesses.

Regional Meetings: Hold regional council meetings and educational seminars.

Double Recovery: Support legislation to eliminate double recovery of damages.

—See also the Federal Program—

Contact: Bridgette Richard (225/928-5388 ext. 258) An attorney licensed in Louisiana, Bridgette is LABI's Legislative Legal Counsel. She also serves as Staff Director for the Small Business Council and the Health Care Task Force.



Bridgette J. Richard
Director, Small Business Council
Legislative Legal Counsel
LABI



Dick Juneau
Chairman
Small Business Council International
Manufacturers Representatives

TAXATION & FINANCE

LABI will promote the need for jobs and economic development in the state, in addition to continuing LABI's on-going promotion of spending reforms and competitive tax policies.

MAJOR ISSUE

Economic Development Opportunities

The Issue: Louisiana needs to do a better job of retaining and attracting businesses to the state. Simply put, economic development needs to be the state's top priority.

LABI Position: Promote and support economic development opportunities through implementation of aggressive programs, actions and competitive tax policies that will help retain and attract jobs and businesses to the state.

Reasoning: As in the real business world, the business of generating and attracting "business" is becoming extremely competitive. Some states have figured out that their economy is better off with more businesses than less, and have offered aggressive incentive packages to businesses or made the appropriate changes to their tax, fiscal, or regulatory structure to accommodate the retention and relocation of businesses to their state. The State of Louisiana, including each and every state and local governmental agency, similarly needs a coordinated effort to make economic development its collective priority.

While there is much work to be accomplished, there are three significant changes that should be made to our state tax structure to immediately encourage business and economic development:

- (1) remove long-term debt from the state corporate franchise tax base;
- (2) reduce or eliminate the sales and use tax on all business machinery and equipment; and
- (3) reduce or eliminate the sales and use tax on energy and energy sales.

Franchise Tax: Louisiana's corporate franchise tax has a high tax rate and an unusually large base with the inclusion of long-term debt. (See chart below.) Not only does a

Louisiana business pay a franchise tax if the business is profitable, but it must also pay the tax when it simply borrows money to expand or to stay in business. This particularly hurts small, family-owned or closely held businesses trying to expand and compete with businesses in other states, which do not have this tax burden. Oklahoma is the only other state to impose this tax against a business' long-term debt; however, Oklahoma treats a debt extending past three years as long-term debt, while Louisiana's definition of long-term debt applies to debts extending past even one year. Unless the debt component is removed from the franchise tax base, businesses will continue to avoid Louisiana and its punitive franchise tax in search elsewhere of a fairer tax burden on its corporate operations.

<u>State</u>	<u>Franchise Tax</u>	<u>Franchise Tax Base</u>	<u>Tax Rate in \$ Per \$1,000</u>
Alabama (1)	Yes	Net Worth	0.25 to 1.75
Arkansas (2)	Yes	Capital Stock	2.70
Florida	No	N/A	N/A
Georgia (3)	Yes	Net Worth	Tax Table
LOUISIANA (4)	Yes	Net Worth + Long-term Debt	1.50 to 3.00
Mississippi (5)	Yes	Net Worth	2.50
North Carolina (6)	Yes	Net Worth	1.50
Oklahoma (7)	Yes	Net Worth + Long-term Debt	1.25
South Carolina (8)	Yes	Capital Stock + Paid-in Capital	1.00
Tennessee (9)	Yes	Net Worth	2.50
Texas (10)	Yes	Taxable Capital or Earned Surplus	Varies

- (1) Minimum tax is \$100, and the maximum tax is \$15,000. Effective 1/1/99, the tax base changed from capital stock to net worth. Tax rate varies depending upon taxable income. Less than \$1 of taxable income, tax rate is \$0.25 per \$1,000 of net worth; if more than \$1 and less than \$200,000, tax rate is \$1.00; if more than \$200,000 and less than \$500,000, tax rate is \$1.25; if more than \$500,000 and less than \$2.5M, tax rate is \$1.50; and if more than \$2.5M, tax rate is \$1.75 per \$1,000 of net worth.
- (2) Minimum tax is \$50, and the maximum tax is \$1,075,000.
- (3) Minimum tax is \$10, and the maximum tax is \$5,000.
- (4) Long-term debt includes indebtedness maturing more than *one* year from the debt incurred. The minimum tax base is equal to the total assessed value of all real and personal property in the state. The tax rate of \$1.50 per \$1,000 applies to the first \$300,000 of taxable base, and the \$3.00 rate applies to the tax base in excess of \$300,000. Louisiana has no maximum tax that can be imposed (unlike Alabama, Arkansas, Georgia, North Carolina and Oklahoma), and allows no deduction or credit for investments in subsidiaries.
- (5) Minimum tax is \$25.
- (6) The minimum tax base is equal to the greater of: (a) 55% of the appraised value for property tax purposes of all real and personal property + 100% appraised value of intangible property, or (b) 100% actual investment value in tangible property. Minimum tax is \$35 and the maximum tax on holding companies is \$75,000.
- (7) Long-term debt includes indebtedness maturing *three* years after issuance. The minimum tax is \$10 and the maximum tax is \$20,000.
- (8) An additional sum of \$15 is added to the computed tax. Minimum tax is \$25.
- (9) The minimum tax base is equal to the actual value of the property owned or used, excluding exempt inventory.
- (10) The franchise tax is the greater of: (a) 0.25% of the net taxable capital, or (b) 4.50% of net taxable earned surplus (which is generally federal net taxable income, plus compensation paid to officers and directors). Note that Texas does not have a state income tax. In comparison to Louisiana, the franchise tax rate on net taxable earned surplus (comparable to an income tax) of 4.50% is lower than Louisiana's combined income (4% to 8%) and franchise (\$3 per \$1000) tax rates.

Source: Commerce Clearinghouse *State Tax Guide* (2001)

Sales Tax on Machinery and Equipment: Louisiana is one of three states in the country (along with South Dakota and Wyoming) and the only southern state that fully taxes the sale of manufacturing machinery and equipment, while other southern states have a reduced rate or exempt these sales entirely. Moreover, Louisiana has the highest average state and local sales taxes among the southern states. (See chart below.) The imposition of Louisiana’s high sales tax

rates on the purchase of machinery and equipment places Louisiana businesses at a competitive disadvantage in comparison with its southern neighbors. In focusing on their bottom line, businesses when possible will acquire machinery and equipment outside the state to avoid Louisiana’s punitive sales tax treatment, to the detriment of our sales tax base.

<u>State</u>	<u>State & Local Avg. Tax Rate (%)</u>	<u>State Tax Treatment of Manufacturing Machinery and Equipment</u>
Alabama	6.70	Lower 1.5% rate applies
Arkansas	6.47	100% exempt
Florida (1)	6.25	100% exempt
Georgia	6.55	100% exempt
LOUISIANA (2)	8.00	FULLY TAXED
Mississippi (3)	7.00	Lower 1.5% rate applies
North Carolina (4)	5.25	Lower 1.0% rate applies
South Carolina	6.00	100% exempt
Tennessee	7.90	100% exempt
Texas	7.75	100% exempt

(1) New business – 100% exempt; expanding facilities – 100% exempt from sales taxes in excess of \$50,000 per year.
(2) Highest state and local average sales/use taxes among southern states; Louisiana is one of only three states in the country (along with South Dakota and Wyoming), and the only southern state that *fully* taxes manufacturing machinery and equipment.
(3) Local sales/use taxes not authorized.
(4) Subject to \$80 maximum per article.

Source: Commerce Clearinghouse, *State Tax Guide* (2001); Dr. James Richardson, 2001 DED Incentive Study; corroborative phone interviews to various state chambers

Energy Taxes: Louisiana presently has a four percent sales tax on the consumption of energy and energy sales. What that equates to is a double tax on consumers: one sales tax imposed for the consumption of the energy by the manufacturer during the manufacturing process, and a second sales tax on the ultimate sale of the manufactured energy to the retail consumer. While this double tax has contributed recently to Louisiana’s increase in collections during FY 00-01, it hits the pocketbooks of every business and individual and increases the cost of doing business in the state. From an economic development perspective, this double sales tax on energy and energy sales makes it extremely difficult to attract large consumers of energy, such as manufacturers, to this state.

If Louisiana wants to grow and diversify its economy and protect its tax base with more businesses rather than less, the state must implement competitive tax policies such as these three significant changes.

—Direct Small Business Impact—

CURRENT ISSUES

Business Tax Policy:

- Support efforts to limit or reverse judicial and regulatory expansion of the business tax burden.
- Continue to educate the public, the media and public officials regarding (a) Louisiana’s tax structure, (b) the imbalance in the tax burden borne by business, (c) the benefits of a competitive, properly balanced and predictable tax system, and (d) needed fiscal and spending reform.
- Oppose the imposition or increase of any taxes or fees, including an oil and gas processing or transportation tax, that would increase the imbalance in the tax/economic burden borne by business in Louisiana.

Spending and Fiscal Reform: Support spending and fiscal reforms that promote the growth and diversification of the state’s economy. Support spending reform measures to

restore voter confidence in state government, and thereby create a climate for fiscal reform, such as:

- efforts to manage budget deficits without new or increased taxes or fees;
- prioritized spending;
- gradually shifting to local governments the primary responsibility of funding local services; and
- achieving cost-savings through the elimination or consolidation of programs and/or agencies that would not have a detrimental impact on the delivery of needed services.

Support tax modifications at both the state and local levels, which in general would have the effect of:

- a revenue-neutral shift from state sales/use taxes to income taxes that would help the state's tax base grow with the economy, in conjunction with
- a reduction in both the homestead exemption and the ten-year industrial tax exemption that would enhance the tax base of local governments with which to fund local services including education, police, fire, and capital outlay.

Oppose further expansion of state government, at least until economic growth provides additional, stable revenue from the existing tax base.

Fiscal/Tax Policy: Support measures to correct the imbalance in the tax burden borne by business and to encourage industrial and business investment in Louisiana. Such measures should include: (1) reducing the homestead exemption; (2) eliminating the sales and use tax on machinery and equipment used in manufacturing and distribution; (3) eliminating or reducing sales and use taxes on energy and energy sales; (4) eliminating inconsistencies in the administration of the state and local tax systems; (5) allowing Louisiana taxpayers to avoid unnecessary tax payments to the federal government; (6) shifting the financing and delivery of many governmental services from the state level to the local level; and (7) eliminating the local sales/use tax on repairs to property that will be shipped out of state.

Industrial Tax Exemption: Oppose efforts to restrict the availability of the ten-year industrial tax exemption, including efforts to tie the exemption to considerations not directly related to industrial development.

Processing Tax: Oppose efforts to impose any type of processing tax.

Business Activity Tax: See Small Business Program, page 20.

Combined Reporting (Unitary Tax): Oppose efforts to impose mandatory combined reporting for corporate income tax purposes, as the imposition of this reporting method would have a detrimental impact on economic development in the state.

Sunset Exemptions: Support the continuation of the statutory business tax incentives, exemptions and exclusions that are scheduled to expire in 2002.

Dedicated Expenditures: Support efforts to allow cuts to dedicated expenditures (those *without* a dedicated revenue source) when a budget deficit is projected. However, oppose efforts to redirect trust fund dollars (those *with* a dedicated revenue source) to expenses other than those to which they are constitutionally dedicated.

Cost-Savings in Government: Support the creation of an ongoing "Cost-Savings in Government" coalition, focusing on identifying potential cost savings in government.

Statewide Centralized Collection: Support measures to promote consistency in the administration of the state and local sales tax systems, including measures to promote statewide centralized collection and administration of local sales taxes through the Department of Revenue.

Sales Taxes: Oppose measures to levy or authorize additional statewide sales taxes and to levy or authorize local sales taxes without voter approval.

Tax Administration: Support measures to limit abuse of authority by state and local tax collectors. Support measures restricting the imposition on taxpayers of attorney fees and audit costs of state and local governments in tax cases.

Refund Procedures: Support taxpayers' fundamental right to a prompt refund of taxes not due to a taxing authority.

Tax Incentives: Support the availability of fair and equitable tax incentives for economic development and support measures to simplify the process for obtaining tax incentives and exemptions.

Vote Requirement for Tax Relief: Oppose restrictions on the ability of the Legislature to lower taxes or grant tax relief.

Assessment Appeals Procedure: Support legislation to simplify the procedures for contesting property tax assessments.

Property Tax Assessments: Support legislation and changes in the Louisiana Tax Commission rules and regulations to improve accuracy of assessments. Support the current use value system for determining the assessed value of property that is classified as agriculture, timberlands, horticulture and marshlands.

Ad Valorem Property Taxes: Support a reduction in the ad valorem tax on property acquired by public service entities after deregulation of those companies has been implemented. Any revised system of public service property taxation should not result in a shifting of the property tax burden from regulated to non-regulated businesses.

Mineral Property Taxes: See Energy Council Program, page 11.

Hazardous Waste Tax: See Environmental Quality Council Program, page 25.

ONGOING POLICY

Research and Development Tax Credit: Support a research and development state tax credit patterned after the federal credit.

Prevailing Wage: See Employee Relations Program, page 9.

State and Local Taxes: Support a competitive business tax environment for Louisiana's industries that are subject to substantial interstate competition.

Retirement Systems: See Governmental Reform Program, page 15.

Government Efficiency: Support efforts to operate state government in a more efficient, cost-effective and fiscally responsible manner, including privatizing state government services where feasible.

Advance Collection of Sales Tax: Support legislation to eliminate the advance collection of sales and use tax by wholesalers.

Capital Outlay Program/Highway Priority Program: Support strengthening the capital outlay program controls, and oppose attempts to weaken the Highway Priority Program.

Inheritance Tax and Gift Taxes: Support the continuation of the phase out of inheritance taxes and the corresponding repeal of the gift tax.

Annexation: Support legislation to require municipalities to notify affected property owners before annexing any property.

“Fiscal-Only” Legislative Sessions: Support the continuation of a system of alternating fiscal/non-fiscal legislative sessions.

TOPS Reimbursement: Support measures whereby the state can secure reimbursement for TOPS payments through federal tax credit programs.

—See also the Federal Program—

Contact: John LeBlanc (225/928-5388 ext. 256) As a Board Certified Tax Attorney and CPA (inactive), John has an in-depth knowledge of the taxation and fiscal issues confronting LABI's members. He serves as Staff Director for the Taxation & Finance Council and as a Senate floor lobbyist.



John LeBlanc
Director
Taxation & Finance Council
LABI



Paul Hargrove
Chairman
Taxation & Finance Council
Century Telephone Enterprises

TRADE, TOURISM AND TRANSPORTATION

LABI supports maintaining an economic and political climate in which Louisiana's trade and tourism industries can flourish.

MAJOR ISSUE

River Pilotage

The Issue: Should the pilotage system in Louisiana be reformed to make maritime commerce in Louisiana more competitive?

LABI Position: Support legislation to create an effective regulatory structure for pilotage with the overall objective of establishing safe, reliable, and cost-effective pilot service.

Reasoning: The current system needs to be reformed. Problems with fee commissions and controversial Public

Service Commission rulings have impacted water-borne commerce in Louisiana. The need for an impartial oversight review board and actions to reduce overall costs relating to pilotage must be addressed. Reforms must be implemented to ensure the cost of moving cargo to and from Louisiana's deep-water ports is in line with that of competing ports.

CURRENT ISSUES

International Marketing: Support the creation of a central clearinghouse to coordinate the international marketing efforts of state government agencies.

Air Transportation: Support the development of adequate air transportation facilities in Louisiana.

ONGOING POLICY

Business Tax Burden: Oppose tax increases that would have a negative impact on trade and tourism.

International Trade: Support legislation that promotes national and international trade opportunities for Louisiana businesses. Oppose legislation that restricts free trade.

International Tourism: Support continuation of tax-free shopping as an incentive to attract international tourists.

Employee Relations: Support state legislation to provide that the minimum wage throughout Louisiana shall not exceed the federal minimum wage.

Tourism Promotion Funding: Support adequate revenues dedicated to the promotion of tourism in Louisiana.

State Infrastructure: Study ways to improve air, land, and water transportation affecting trade and tourism.

Ports: Actively support the development of a major intermodal port facility in Louisiana.

State Beautification: Support and encourage all efforts to eliminate litter in Louisiana, including anti-litter public campaigns.

International Trade Promotion: Monitor and evaluate legislation and other activities in the state of Louisiana with regard to the promotion of international trade.

Free Enterprise: Oppose any government restrictions that would make Louisiana businesses less competitive relative to businesses in other states.

—See also the Federal Program—

Contact: Bruce Bradley (225/928-5388 ext. 259). As Director of the Trade, Tourism and Transportation Council, Bruce handles issues impacting Louisiana's tourism and international trade industries, as well as transportation matters. He is also Assistant Director of Political Action and a House floor lobbyist.



Bruce Bradley
Director
Trade, Tourism and Transportation
Council
LABI



Bill Cummins
Chairman
Trade, Tourism and Transportation
Council
Bank One International Corporation

FEDERAL PROGRAMS

EMPLOYEE RELATIONS

Ergonomics: Oppose any Occupational Safety and Health Administration (OSHA) rule, which requires employers to meet an unreasonable and costly ergonomics standard established without scientific validation of its value.

Right-to-Work: Oppose legislation to repeal or weaken Section 14B of the Taft-Hartley Act, which authorizes state Right-to-Work laws.

Unemployment Compensation: Support legislation to lower federal unemployment taxes by giving states the authority to collect and appropriate Federal Unemployment Tax Act (FUTA) revenues to operate their employment security agencies.

Unemployment Compensation: Oppose legislation that would liberalize UC benefits and/or increase employers' costs.

Mandated Employee Benefits: Oppose increased costs on employers resulting from governmentally mandated benefits, including parental leave and health care plans.

Drug-Free Workplace: Support legislation to promote a drug-free workplace.

Comparable Worth: Oppose attempts to impose "comparable worth" in the workplace.

Federal Minimum Wage: Oppose any increase in the federal minimum wage.

National Labor Relations Act (NLRA): Continue to support legislation that would remove the requirement that unions represent nonmembers in a bargaining unit. Oppose legislation that would expand the NLRA to facilitate union organizing, prohibit construction industry double breasting or allow *common situs* picketing, and support legislation

to restrict liberalization promoted by the National Labor Relations Board and the courts.

Employee/Management Teams: Support amendments to the NLRA that would permit both union and nonunion employees to share decision-making responsibility with management.

Davis-Bacon Act: Support repeal of the Davis-Bacon Act.

Striker Replacement: Oppose legislation that would prohibit an employer from hiring permanent replacement workers for employees who walk off the job.

Federal Intervention in Benefit Plans: Oppose legislation and regulations that restrict employers or place further burdens on employers sponsoring benefit plans, including cafeteria plans.

Federal Employees Wage Garnishment: Support legislation to allow garnishment of federal employees' wages.

Unemployment Compensation: Support legislation to allow small business owners to forgo paying UC taxes on themselves by electing to be excluded from unemployment benefits.

ENERGY

Federal Leasing and Regulatory Programs: Support legislation that seeks to establish aggressive Outer Continental Shelf (OCS) and Arctic National Wildlife Refuge leasing programs for oil and gas development. Revenues from such production should be shared with states that permit such activities. Oppose any efforts to restrict leasing on federal and OCS lands. All potential reserves must be explored and added to the nation's production, and a balanced program between environmental and economic concerns must be achieved, rather than withdrawing properties based on unwarranted environmental pressures.

Revenue Sharing: Support efforts to assure a fair and equitable distribution of revenues from offshore oil and gas production.

CAFÉ: Oppose raising Corporate Average Fuel Economy standards which would unreasonably burden businesses; that would cause trucks, vans and SUVs to be less effective in towing capability; and that would reduce fleet safety.

Royalty Valuation: Support improvements in the method by which the federal government values and collects oil and gas royalties from leases on federal property. Those improvements should be designed to create a more efficient system that adds fairness, certainty and simplicity to the royalty valuation process while preserving the lease terms agreed upon by the producer and the federal government.

Oilfield Wastes: See Environmental Quality Council Program, page 14.

Risk Assessment: Support legislation that will attach cost-to-risk assessments to the process by which rules are promulgated.

Oil Spill Financial Responsibility: Support federal legislation to correct provisions of the Oil Production Act of 1990, which extended the \$150 million fiscal responsibility requirements to onshore jurisdictions.

Wetlands: Oppose any regulatory efforts by the Department of the Interior that would impede or curtail oil and gas exploration and production in the wetlands.

Energy Taxation: Support federal taxation policies that would preserve domestic energy security by stimulating exploration and production. Such incentives would assist energy-intensive industries, which are suffering from high energy costs and foreign competition, as well as the energy-producing industry. Additionally, oppose additional gasoline and special fuels taxes as a source of revenues for non-highway purposes.

Competition: Support a fair and fully competitive retail electricity market that allows all consumers, individually or as a group, the right to choose their supplier of electricity.

Natural Gas Deregulation: Support legislation to remove all governmental barriers to competitive pricing and accessibility to all onshore and offshore production, transportation and use of natural gas.

Energy Development: Assist in the development of a program that will promote use of Louisiana energy sources but does not unduly favor one energy form over another.

Federal Research Funding: Support legislation that would provide for the use of federal fossil fuel funding for research and development related to oil and gas exploration and production and efficient utilization of energy resources.

ENVIRONMENTAL QUALITY

Kyoto Protocol: Oppose Senate ratification and presidential approval of the Kyoto global warming treaty, or any legislative proposal with similar provisions, unless developing countries are included in its requirements, which must be based on valid, peer-reviewed science, and the U.S. is not disproportionately affected by the mandated greenhouse gas emissions reductions.

EPA Overfiling: Oppose EPA's filing separate enforcement actions after an agreement has been reached between the state and a regulated entity under a federally delegated program. The regulated community should be able to achieve finality when it resolves an environmental dispute with DEQ (or any other state agency) in a program that has been "delegated" to the state of Louisiana by EPA. LABI will work to eliminate EPA "overfiling" as this practice places the regulated community in a double-jeopardy type situation.

Environmental Justice: Oppose the use of "environmental justice" as a means of stopping economic development. Assure the rights of minorities are protected under the Civil Rights Act.

Rule Flexibility: Support legislation and regulations that provide for regulatory flexibility in return for improved environmental performance.

Clean Air Regulations: Support Clean Air Act implementing regulations that are reasonable, cost-effective and workable. Support efforts to prevent tightening of National Ambient Air Quality Standards (NAAQS).

Superfund: Support comprehensive reforms to the existing Superfund program by prioritizing and speeding up cleanup, repealing retroactive liability, setting reasonable cleanup standards based on sound science, and opposing the imposition of new taxes.

Landowner Rights: Oppose the regulation of any use or condemnation of private property unless based on adequately demonstrated public need. Support legislation to require the governing body to deal openly with the landowner and to adequately compensate property owners for loss of use or devaluation of their property caused by environmental regulations, laws or policy.

Wetlands: Support clear, consistent Corps of Engineers implementation of wetlands regulations. Encourage the development of regulations and policies that exempt nonviable wetlands from regulation. Support the development of mitigation banking policies and regulations that maintain economic competitiveness in an impacted watershed.

Environmental Audits/EPA: Encourage EPA to amend its Policy on Self-Policing to make the “protections” legally binding; eliminate or reduce the number of conditions a company must meet to obtain these protections; and make the Policy clear, meaningful and useful to businesses conducting environmental self-audits.

General Environmental Legislation: Support federal environmental legislation that balances environmental concerns with economic realities and is workable, practical, equitable and consistent.

Ozone Transport and Attainment: Oppose interstate ozone transport strategies that may worsen Louisiana air quality or that cannot be supported by a scientifically valid cause-and-effect relationship. Encourage EPA to complete redesignation of all the parishes that are meeting and will continue to meet the air quality standard for ozone.

Cost-Benefit Analysis: Support legislation that will require cost-benefit assessments to be included in the process by which rules are promulgated.

Waste Bans: Support resolution at the federal level of interstate waste shipment and disposal issues.

Oilfield Wastes: Oppose legislation that would unilaterally reclassify oilfield wastes as hazardous or any other inappropriate classification. LABI supports EPA’s current definition of hazardous wastes related to oil and gas exploration and production activities.

Solid Waste Regulations: Support fair implementation of the Resource Conservation and Recovery Act (RCRA) Subtitle D regulations for private and public solid waste facilities.

Gulf of Mexico Program/Barataria-Terrebonne National Estuary Program: Support programs that are based on scientific information and that balance environmental concerns with economic development; encourage DEQ and LABI members to participate to the greatest extent possible and to communicate the programs’ progress with other members and the public.

HEALTH CARE

Patients’ Bill of Rights: Support a patients’ bill of rights that provides legitimate consumer protection without creating new liability for employers or their health plans or creating costly new mandates. Support consumers’ right to an appeals and external review process as an alternative to expanded liability, similar to the provisions found in Louisiana’s Medical Necessity Review Organization (MNRO) Statute.

National Health Care Plan: Support legislative and other efforts fostering market-driven, community-based health care reform. Those efforts should emphasize expanded, secure access to cost-effective, quality care. Oppose federal employer mandates that burden businesses. Oppose a federal monopolistic health care/single payor system.

Civil Liability: Oppose legislation that would inappropriately create civil liability for employers and their health plans.

ERISA: Support continued federal pre-emption of state insurance laws and regulations as provided through the Employee Retirement Income Security Act of 1974 (ERISA) and support the extension of similar “protections” to non-ERISA plans.

Restraint of Trade: Strengthen and support current law that prohibits health care providers from colluding or fixing rates in violation of anti-trust laws.

Rights of Choice: Support legislation that will maintain the right of the employer and the employee to choose their own health care carriers.

Free Market Competition: Support legislation that will provide quality care and promote cost effective delivery through a competitive health care market. Oppose any efforts to weaken current statutes that prohibit inappropriate referral practices.

Managed Care: Oppose restrictions in managed care that would reduce its effectiveness and increase employers’ costs.

Business Coalitions: Support efforts by business groups, organizations and health care coalitions to aid businesses in their quality improvement and cost containment efforts.

LIABILITY

Tort Defense: Oppose tort legislation that would expand exposure of individuals, professionals and businesses to unreasonable or excessive judicial awards.

Tort Offense: Support appropriate tort legislation that would protect individuals, professionals and businesses from unreasonable or excessive judicial awards.

Disaster Insurance: Support the Policyholders Disaster Protection Act, which would allow insurance companies to set aside pre-tax dollars in a disaster reserve account.

Government-sponsored Lawsuits: Support efforts to stem the tide of government-sponsored litigation.

U.S. Constitution: Oppose attempts by Congress to erode the supremacy clause of the U.S. Constitution.

Class Action Lawsuits: Support federal class action reform.

SMALL BUSINESS

Estate Tax: Support the continuation of the phase-out of the estate tax and expedite the phase-out.

Retirement Systems: Support consolidation of all federal retirement systems and eliminate all special retirement systems.

Social Security: Support legislation that would require all employees, including federal, state, and local employees, to pay into the Social Security System.

The Americans With Disabilities Act: Oppose liberalization of the Americans With Disabilities Act.

Government Contracts: Support an appeals process for small businesses that are discriminated against in federal, state and local government contract bids.

Government Competition: Restrict efforts by government to provide goods and services in competition with private businesses.

OSHA: Support efforts to reform the Occupational Safety and Health Administration (OSHA) provisions that have an adverse impact on small business.

Regulatory Burden: Support the reduction of the regulatory burden on all businesses, especially small businesses.

Unfunded Federal Mandates: Oppose unfunded federal mandates on state and local governments or businesses.

TAXATION & FINANCE

Business Tax Burden: Oppose any increase in the federal tax burden on business.

Economic Stimulation: Support legislation that would stimulate the economy by allowing taxpayers to keep more of their own money for investment in the private sector.

Spending Reduction: Since the financing of large government deficits each year consumes much of the capital that would otherwise be available for business investment needed to improve productivity and create jobs, support programmatic review and serious consideration of reasonable, specific spending cuts. LABI supports program-specific reductions as a preferred alternative to an across-the-board spending freeze.

Taxation of Employee Benefits: Oppose the elimination of tax exclusions and deferrals on health, pension and

disability benefits. LABI recognizes that such elimination could help close the budget deficit in the short term; however, the long-term effects on Social Security, Medicare and other government social programs may be greater than those systems can sustain.

Sales Taxes on Interstate Sales Transactions: Support efforts to authorize state and local governments to require the collection of sales taxes on interstate, catalog, mail order or internet-type sales transactions.

Constitutional Spending Restraint: As a further safeguard that interest payments on deficit spending will not drain capital from investment purposes, support efforts to enact a constitutional amendment to require a balanced budget. Total expenditures should not exceed actual (versus anticipated) revenues.

Federal Budget: LABI supports restraints on federal off-budget spending.

IRS Abuses: Support legislation furthering the rights of taxpayers in dealing with the Internal Revenue Service, limiting the regulatory authority of the Treasury Department and the IRS, and increasing their accountability for unreasonable and arbitrary conduct in the issuance of regulations or the collection of taxes.

Taxes/Fees on Virgin Materials: Oppose legislation to impose a tax or fee on the use of virgin materials.

TRADE, TOURISM AND TRANSPORTATION

Free Trade: Support measures that will promote free trade and enhance the international trade sector of Louisiana's economy.

International Trade: Support the continuation of the Federal Export Tax Incentive.

Free Trade: Support Trade Promotion Authority, which would grant the President, with Congressional approval, the ability to negotiate trade agreements that will open markets for U.S. businesses on the world stage.

Expanded Research: Support increased efforts to provide international trade and tourism research in the U. S. Department of Commerce.

Federal Trade and Tourism: Support federal international trade and tourism promotion activities.

Contact: Jonica Coates (225/928-5388 ext. 255) As Director of the Liability Task Force, Jonica handles civil justice reform issues. She is the editor of *Court Watch*, LABI's periodic newsletter covering court decisions that impact business. Also under her purview: federal issues.



Jonica Coates
Federal Issues
Editor, Court Watch
LABI